



PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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DA 03-4068
Released: December 22, 2003

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF BRIDGECOM INTERNATIONAL, INC., AND TRUCOM CORPORATION TO MCG CAPITAL CORPORATION

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 03-252

On December 9, 2003, MCG Capital Corporation (MCG), BridgeCom International, Inc. (BridgeCom) and TruCom Corporation (TruCom) (together, Applicants), pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ requested consent to transfer indirect control of BridgeCom Holdings, Inc. (Holdings), the parent company of BridgeCom and TruCom, to MCG. As a result of this proposed transaction, BridgeCom and TruCom will become indirect subsidiaries of MCG.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules because (1) Applicants and their affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market, (2) Applicants and their affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their affiliates are dominant with respect to any service.³

BridgeCom, a Delaware corporation, provides competitive local exchange services primarily in the mid-Atlantic and Northeast regions along with interexchange services in approximately twenty states. BridgeCom is authorized to provide interstate services pursuant to

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

³ 47 C.F.R. § 63.03(b)(2)(i); *see* 47 C.F.R. § 63.03(b)(3).

blanket domestic Section 214 authority granted. TruCom, a sister company to BridgeCom, is a New York corporation that is authorized to provide interexchange and competitive local exchange services in New York and New Jersey. TruCom is authorized to provide interstate service pursuant to blanket domestic Section 214 authority.

MCG, a Delaware corporation, is a publicly held financial services company that provides financing and advisory services to a variety of small to mid-sized communications, information services, media and technology companies throughout the United States. MCG already holds or has held interests in a number of telecommunications companies, including Essex Acquisition Corp., Biznessonline.com, Inc., Manhattan Telecommunications Group, and nii communications, Inc.

MCG and Holdings have proposed to complete a series of transactions whereby Holdings will become a subsidiary of MCG and, as a result, BridgeCom and TruCom will become indirect subsidiaries of MCG. Applicants have proposed that a recently established merger subsidiary that will be wholly owned by a subsidiary of MCG, MCG Intermediate Holding, will be merged with and into Holdings. In connection with that proposed merger, each share of stock of Holdings will be converted into the right to receive a portion of the purchase price. Following the proposed Transactions, MCG will indirectly own all of the stock of the merged company except for certain minority interest that are expected to be acquired by and/or granted to management and certain other employees of Holdings.⁴ The applicants state that in order to complete the proposed Transactions, MCG, which currently holds certain equity and senior debt investment in Holdings, and Holding have entered into an Agreement and Plan of Merger dated November 26, 2003, which provides that the aggregate purchase price to be paid by MCG to BridgeCom's shareholders is approximately \$37 million, subject to certain adjustments.

Because the proposed Transactions will be completed as a stock transaction at the holding company level, Applicants expect that the proposed Transactions will be virtually transparent to BridgeCom and TruCom and entirely transparent to their respective customers in terms of the services that those customers receive. Applicants contend that MCG's indirect acquisition of BridgeCom and TruCom through MCG's acquisition of Holdings serves the public interest in promoting competition among domestic and international telecommunications providers by providing BridgeCom and TruCom access to the financial and operational resources required to strengthen their positions in the telecommunications marketplace. Applicants state that the proposed transactions will ensure that BridgeCom and TruCom will continue to have access to the financial resources they need to expand and implement their business strategies while continuing to provide high quality services to existing customers. Moreover, Applicants claim that the proposed transactions will allow Applicants to combine their complementary management teams to create companies better equipped their growth as competitive telecommunications services providers. Thus, Applicants argue that the proposed transactions

⁴ None of the minority ownership interests acquired by such employees are expected to exceed ten percent (10%) of the merged company.

should invigorate competition and thereby benefit consumers of interstate and international telecommunications services.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer on the 31st day after the date of this notice.⁶ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C.

⁵ See 47 C.F.R. § 63.03(a).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893;
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov;
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: dcjohnso@fcc.gov;
- (4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: Julie.Veach@fcc.gov;
- (5) Cynthia Bryant, Telecommunications Division, International Bureau, 445 12th Street, S.W., Room 7-A623, Washington, D.C. 20554; email: Cynthia.Bryant@fcc.gov; and
- (6) Christopher Killion, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: Christopher.Killion@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson at (202) 418-1394, or Dennis Johnson at (202) 418-0809.

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